



## Local ballot measure: P

### Full text of Measure P

#### ORDINANCE NO. 2022-134

**AN ORDINANCE OF THE VOTERS OF THE CITY OF GONZALES  
APPROVING AN AMENDMENT TO GONZALES CITY CODE CHAPTER 3.29 EXTENDING THE  
TERM OF THE CITY'S TEMPORARY GENERAL TRANSACTIONS AND USE TAX, KNOWN AS  
THE "GONZALES QUALITY OF LIFE TEMPORARY TAX MEASURE" THROUGH 2064, WITH  
CONTINUED USE OF TAX REVENUE ANNUAL AUDITS BY AN INDEPENDENT AUDITOR AND  
COMMUNITY REVIEW BY CITIZENS' ADVISORY COMMITTEES**

**BE IT ORDAINED BY THE VOTERS OF THE CITY OF GONZALES:**

**SECTION 1. FINDINGS.** The voters of the City of Gonzales hereby find as follows:

1. The voters of the City of Gonzales have previously approved two tax measures (Measure K and Measure X, known collectively as the "Gonzales Quality of Life Temporary Tax Measure"), setting the City's current Temporary Transactions and Use Tax (TUT) at one percent (1%). The 1% TUT, administered as Measure X but accounted for as two separate funds, Measure K and Measure X, each of which receives 0.5% of all Measure X tax proceeds and is overseen by a separate oversight committee, has established a sales tax rate in Gonzales at 8.75%, one of the lowest tax rates in Monterey County. With guidance provided by TUT Advisory Committees, TUT revenues in Gonzales, which are general tax funds, have been used for a variety of projects, including but not limited to funding debt service for the Community Pool, youth services and leadership development, park improvements (restrooms, tot lot, playground equipment), grant programs, senior programs, and internet accessibility for all citizens.
2. After several years of planning and extensive public outreach and input, the City of Gonzales is pursuing the construction of a Community Center Complex Project ("Community Center") which will include a public library, a Teen Innovation Center, a fitness studio, stand-alone gymnasium, multi-use conference rooms, consulting and counseling rooms, a commercial kitchen, a 3,500 square foot Community Hall to host fitness and recreation classes, competitive sports events, and public and private functions, and extensive outdoor venues that include an exercise area, amphitheater with stage, and meet-and-greet lounge areas. The Council, Staff and community are largely unified in the belief that the Community Center, as planned, will provide a multitude of recreation, education and social activities for local and regional residents and will be of significant benefit to the health and the quality of life for City residents of all ages.
3. Estimated costs for the Community Center are \$34.8 million for the base project, and an additional \$8 million for a standalone gymnasium requested and supported by community members and the Council, for a total cost estimate for the Community Center of \$42.8 million dollars.
4. While the City has been and continues to be diligent in seeking and obtaining funding



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sources for the Community Center, including significant State and local grants and the recommended use of a portion of the proceeds from the City's Measure X TUT revenues, Project costs have been adversely impacted by the COVID pandemic and the current war between Russia and Ukraine. As a result of these circumstances, projected Community Center costs are significantly outpacing available funding sources, thus creating a substantial funding deficit for this project.

5. In light of the above-referenced Community Center funding deficit, when paired with the community and Council desire for the Community Center, the Council adopted Resolution 2022-31 calling for an all-mail ballot election for the City's electorate to consider adoption of a special one-half percent (0.5%) increase to the City's TUT. The Tax would be a special tax, requiring a two-thirds vote for approval, with use of the tax revenues restricted initially to financing and funding the Community Center, and only upon the completion of such funding, to be used for street maintenance and repair. The term of the special tax has been proposed for forty years, or until 2064. At the time of the preparation of this resolution, the outcome of the special all-mail election, scheduled for August 30, 2022, is not known.

6. Notwithstanding the above referenced efforts to establish a Special 0.5% TUT tax that would be collected through 2064, the Council believes it is in the best interest of the City to extend the term of the 1.0% TUT to match the term of the proposed Special Tax. Revenues generated by the proposed ordinance amendment would provide the City with greater financial flexibility to not only maintain essential governmental services and Core Programs on a long-term basis, but to also continue to move forward with a number of capital projects and proactive programs, including the Community Center Complex Project. Even if Measure D is unsuccessful, extension of the 1.0% TUT will continue to provide the City with a financial tool necessary to address ongoing challenges in maintaining the above-referenced services, programs and projects. The proposed City Code amendment would increase the term of the 1.0% TUT by 20 years, from 2044 to 2064.

7. Pursuant to Part 6.1 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, and Part 1.7 of Division 2, and more specifically Section 7285.91, the City may seek voter approval of any general transactions and use tax and/or any amendments thereto.

### **SECTION 2. AMENDMENT TO GONZALES CITY CODE SECTION 3.29.160.**

Gonzales City Code Title 3-Revenue and Finance, Chapter 3.29- Temporary Transactions and Use Tax, Section 3.29.160 shall be amended to read as follows:

**3.29.160 Termination date.** This ordinance is meant to establish a transactions and use tax for a limited period of time. The authority to levy the tax imposed by this chapter shall expire in 2064, on the last day of the calendar quarter preceding the anniversary of the operative date.

**SECTION 3. USE OF TAX REVENUE.** The tax being extended by this ordinance is a general tax. The City may use the revenue from the tax for any general governmental purpose, including without limitation hiring and retention in the finance, police, fire and public works departments,



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youth and senior programs, street and parks maintenance, capital projects such as improvements to and/or installation of new pool and library facilities, broadband infrastructure and/or service and the proposed Community Center Complex Project, economic development and business assistance, retention and development, and payment of outstanding debt. The revenue from the tax shall only be used for services and programs that benefit the residents of the City. The extended tax will continue to be subject to the auditing requirements and the community-based committee review of tax use established by previous City action and voter approval.

**SECTION 4. SEVERABILITY.** If any provision of this ordinance or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby. The voters of the City of Gonzales hereby declare that they would have adopted each and every provision of this ordinance regardless of the invalidity of any other provision.

**SECTION 5. CODIFICATION.** Upon adoption of this ordinance pursuant to the voter approval, the City Clerk, in consultation with the City Attorney, is hereby authorized and directed to codify this ordinance in the Gonzales City Code.

**SECTION 6. EFFECTIVE DATE.** If this ordinance is approved by a majority of the voters voting on the issue at the November 8, 2022 election, pursuant to Elections Code Section 9217, this ordinance shall become effective ten (10) days after the Council declares the results of the election.

**SECTION 7. PUBLICATION.** The Clerk of the City of Gonzales is hereby directed to cause the following summary of the ordinance to be published by one (1) insertion in the Salinas Valley Tribune, a newspaper of general circulation published and circulated in the City of Gonzales:

Contingent upon majority voter approval, this ordinance extends the term of the City's one percent (1.0%) Transactions and Use Tax (a general tax) on the sale or consumption of tangible personal property within the City of Gonzales from 2044 to 2064. All tax revenues will continue to be subject to independent annual audits, annual public expenditure reports and oversight by the Transactions and Use Tax Advisory Committee. The tax revenues will only be spent on services and programs for the City of Gonzales and its residents.

**APPROVED** by the following vote of the Voters of the City of Gonzales on November \_\_\_\_, 2022.

**ADOPTED** by Declaration of the vote by the City Council of the City of Gonzales on \_\_\_\_, 2022:

**AYES:COUNCIL MEMBERS:**



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**NOES:**      **COUNCIL MEMBERS:**

**ABSTAIN:**   **COUNCIL MEMBERS:**

**ABSENT:**    **COUNCIL MEMBERS:**

Honorable Mayor

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**Jose L. Rios, The**

**ATTEST:**

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**Mary Villegas, Deputy City Clerk**